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Research Article

The Role of Zakat, Infaq, Sadaqah (ZIS), HDI, and Government Expenditure on Poverty Alleviation: Economic Growth as an Intervening Variable

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ABSTRACT

Zakat, Infaq, and Sadaqah are forms of instruments in Islam that are one of the tools in reducing poverty. Islam instructs its people not to feel that their property is theirs entirely, but in that property, there are rights for other people. This study aims to find out how the influence of ZIS (Zakat, Infaq, and Sadaqah), Human Development Index (IPM), and Government Expenditures on Poverty with Economic Growth as Intervening Variables in West Sumatra for the 2015-2020 period. This research is quantitative research using panel data. The data collection method is carried out by accessing reports that have been carried out by the Central Statistics Agency, and the West Sumatra Amil Zakat Agency (BAZNAS). The data that has been obtained is then processed using Structural Equation Modeling Partial Least Square. The research results show that ZIS and HDI have a negative relationship and a significant influence on poverty in West Sumatra. The important role of ZIS is proven in alleviating poverty if it is managed properly. Meanwhile, government spending has a positive and insignificant effect on poverty in West Sumatra. Government spending is meaningless if it is not accompanied by good planning and management.

1. INTRODUCTION

Poverty is the most common problem in Indonesia, including in the province of West Sumatra. Said, (2020) stated that poverty in West Sumatra has always been a concern of the community, both nationally and internationally, where poverty is an indicator of the country's economy. Poverty is understood as an economic phenomenon, which refers to a situation in which an individual's or family's income cannot reach a socially acceptable standard of living (Zou & Liu, 2022). The lack of resources that the poor have prevents their participation in the normal life of society. In addition, the United Nations Development Program (UNDP) defines someone who is categorized as poor if they have expenditures below US$ 2 per day. In the book Ihya Ulum Ad-din, Imam Al-Ghazali said that true poverty can be interpreted as a lack of ability to meet the basic needs of life, while poverty due to greed arises due to human desires that are not satisfied by material wealth (Choiriyah et al., 2020).

Islam has a serious concern for reducing poverty. The use of Zakat, Infaq, and Sadaqah (ZIS) instruments is one of the ways of Islam in reducing poverty. According to Mulajawan et al., (2016), zakat is an obligation ordered by Allah SWT to issue certain assets to certain parties when they reach the nisab. In general, zakat, sadaqah, infaq, and waqf mean alms or donations. However, they differ operationally. Zakat is obligatory for every Muslim (Pistrui and Fahed-Sreih, 2010; Kasri, 2013; Kailani and Slama, 2020), while sadaqah, infaq, and waqf are not (Budiman, 2003; Kasri, 2013; Kailani and Slama, 2020). Because it is obligatory, Muslims are more obedient in paying zakat to avoid punishment and at the same time get heavenly rewards. Since zakat, sadaqah, and infaq differ in terms of the level of obligatory, the behavioral intention to do so may also be different.

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Sadaqah, linguistically, comes from the Arabic word ash-sadaqah, which means true. Shodaqoh is zakat itself. Therefore, sadaqa is voluntary zakat. It can be paid in monetary and/or non-monetary forms at a personal or business level (Kailani and Slama, 2020). In a broad sense, alms can be interpreted as giving something to someone with the expectation of Allah's blessing and reward and without expecting any reward or compensation (Mardani, 2012). Infaq comes from Arabic, anfaqa-yunfiqu which means to spend or finance. Infaq language means issuing something for an interest. According to Hidayat (2010), infaq is a voluntary expenditure that a person makes every time he gets as much sustenance as he wants. Infaq is a type of charity that can be in the form of monetary and non-monetary (property or wealth) (Aji et al, 2021).

Zakat is ordered by Allah SWT through His Word in Q.S. At-Taubah verse 103. In general, zakat is divided into two, namely zakat fitrah and zakat maal. Zakat fitrah which is distributed on Eid al-Fitr, many poor people can fulfill their needs on Eid al-Fitr, so that they can feel happiness on this holiday like other Muslims. Zakat maal, many groups are entitled to receive zakat (asnaf) which can be assisted financially. In addition to its function to increase people's income, zakat also functions as productive zakat which can increase people's productivity. Apart from BAZNAS, the distribution of zakat is also carried out by other institutions such as the distribution of Zakat, infaq, and sadaqah funds by Dompet Dhuafa Indonesia, especially in Java, whose numbers change every year and tend to increase. So the number of zakat recipients distributed by Dompet Dhuafa also changes every year. Infaq and sadaqah, are charities whose implementation is not limited in amount or time, their existence is to be a helper for others, be it small things to big things.

Zakat is believed to be able to deal with social problems including poverty and income inequality in society if it is properly implemented and distributed (Ridlo, 2020). Prof. KH Noor Achmad as chairman of the National Amil Zakat Agency for the 2021 period revealed that ZIS fundraising in 2020 experienced a growth of 42.16% or IDR 4,311.65 billion compared to the previous year. Then throughout 2021 it will increase by 33% or grow by IDR 12.86 billion compared to 2020 (Prayogi, 2022). There have been previous studies that have yielded different results, such as research by Yuliana et al., (2019) which concluded that partially (part of) the ZIS variable has a significant negative effect on poverty (Yuliana, 2019).

Besides ZIS, human development also plays a very important role in poverty alleviation. Human development can be measured using the Human Development Index (IPM), which is a composite index to measure the achievement of the quality of human development (Andhykha et al., 2018). There are several components used in determining the value of the human development index, namely life expectancy at birth (UHH), expected length of schooling (HLS), average length of schooling (RLS), and adjusted per capita expenditure (Central Bureau of Statistics, 2019). The concept of human development index (IPM) is one of the UNDP programs for poverty alleviation which is directed at three (3) index standards that are systematically arranged, namely education, health, and purchasing power (Hariawan & Swaningrum, 2015). Low productivity results in low income, causing a high number of poor people (Ariwuni and Kartika, 2019).

Several aspects of the human development index, proposed by the UNDP agency, consist of life expectancy (in this case health), education, and purchasing power (Beik, 2016). These three aspects can improve human dignity in terms of the quality of Human Resources. Quality human resources will also support good productivity. These three aspects of HR affect a person's ability to explore his own potential Lumbantoruan & Prasetyoningrum (2018). So with qualified potential, a person will become a productive human being who can save himself from poverty. These three aspects, especially education, are also factors that play an important role in reducing the poverty rate. A study conducted by Abdul Hadi (2019) concluded that the average length of schooling has a significant negative effect on poverty (Hadi, 2019).

Nurzaman (2017) states that zakat has a positive relationship with HDI. Zakat is one of the instruments used for human development. The concept of zakat explains that the assets of rich people are used to enrich and develop poor people, who later become wealthy people who can pay zakat (Hassan et al, 2017). With adequate needs in terms of health, education, and income, the poor and those in need can access the results of development and ultimately have the potential for the country's economic development. Zakat can be considered as a welfare program to create peace, prosperity, and socio-economic development for mankind and for all time. In line with that, an exploratory study was conducted in Indonesia which aims to see the impact of the effectiveness of productive-based zakat in improving the welfare of zakat recipients. This study is not only measured by economic indicators but also includes education and health which are summarized in the Human Development Index. The results of the estimation of the HDI of zakat recipients show that the average value reaches 69.43.

In poverty alleviation efforts, government spending is also a variable that needs to be taken into account. Government spending is one of the components of fiscal policy which aims to increase the rate of investment, employment opportunities maintain economic stability, and create an even distribution of income. The macro theory regarding the growth of government spending was put forward by economists and can be classified into the development model of expenditure growth. Musgrave believes that in a process the percentage of government investment in GNP will get smaller. At a more advanced level of economic development, Rostow said that government activities shifted from providing infrastructure to spending on social activities, such as old age welfare programs, health service programs, and so on (Amalia et al., 2015). Government spending is one of the important instruments to reduce poverty.

One of the studies related to the effect of government spending as pro-poor expenditure on poverty alleviation was conducted by Wahyudi (2011) in districts/cities in Central Java Province. In this study, the type of spending used as an independent variable was spending on the education, health, and public works sectors. The results of the study stated that the three types of spending had a significant effect on poverty alleviation in regencies/cities in Central Java Province. Government spending is also related to human development. Human development through government spending on education and health is also basically an investment in economic growth. Community welfare can be realized with basic needs such as education and health.

This is evidenced by research conducted by Hidalgo and Ormaetxe (2018) that government public spending, especially in the field of education, will have a significant influence on poverty in the long run. Education will be significant in reducing the poverty rate of a family in the long term. Development in the fields of education and health are the two pillars for forming human capital in economic development which are nothing but long-term investments. The achievement of development goals in education and health, in turn, can improve the quality and productivity of the population, where population productivity growth is the engine of growth (the engine of growth) of economic growth and the welfare of the population itself.

The Central Statistics Agency (BPS) noted that the number of poor people reached 26.16 million people or 9.54 percent of the total population in West Sumatra in March 2022. The number of urban poor people in March 2022 decreased by 0.04 million people, from 11 .86 million people in September 2021 to 11.82 million people in March 2022. The percentage and number of poor people based on the archipelago in Indonesia, namely for Sumatra Island is 5.74 million people, Java 13.85 million, Bali and Nusa Tenggara 2, 07 million, Kalimantan 980 thousand, Sulawesi 2.01 million, Maluku and Papua 1.51 million (BPS, 2022). This data shows that the poverty rate on the island of Sumatra is in second place in Indonesia.

Based on the explanation above, several previous studies have only focused on individual variables influencing poverty without looking at the relationship between other variables and how much the variables contribute together. In addition, case studies in the area of West Sumatra are also rarely used in previous studies. Therefore, this study will further examine how zakat through other components or variables relates to variables that play a role in poverty alleviation such as education, health, the Human Development Index (HDI), and government spending. Various things that will be answered in this research include: how do Zakat, Infaq, and Sadaqah (ZIS) affect poverty in West Sumatra? How does the Human Development Index (HDI) level affect poverty in West Sumatra? How does government spending affect poverty in West Sumatra? What is the role of ZIS, HDI, and government spending in realizing welfare by Islamic law for the poor? This study aims to obtain an in-depth description of the ZIS role model, and other variables. This research seeks to identify ways in which Zakat, Infaq, and alms are important for the welfare of Poor families. This research is expected to highlight the main processes for the development and use of Zakat, infaq, and sadaqah to fight poverty, to achieve the goal of social welfare following sharia which is the goal in Islamic economics.

2. RESEARCH METHODS

2.1 Research Design

This research is quantitative (Syahrum & Salim, 2012). In this study, the type of data used is panel data in the form of a combination of time series and cross-section data. The research areas are regencies and cities in West Sumatra. The use of time series data is 5 years and the use of cross-section data is 18 districts/cities in this study so the total number of observations is 90 observations. In this study, the authors obtained literature study sources from the Central Bureau of Statistics (BPS) of West Sumatra Province and the Amil Zakat Agency (BAZNAS). The data used by researchers are economic growth data, Zakat, Infaq and Alms (ZIS) data, Human Development Index (IPM) data, poverty rate data, and government spending data.

2.2 Data Analysis Techniques

The analysis technique used in this study is the Structural Equation Modeling (SEM) technique. SEM itself is an analytical technique used to design and test statistical models which are generally in the form of causality models. In addition, SEM can also be said to be a multivariate technique that includes confirmatory aspects and allows us to estimate complex causal relationships from path analysis models which we can consider as a special case in SEM (Noor, 2014). Thus, SEM can be said to be suitable for use in this study.

Several types of modeling can be used with SEM. One of them is SEM based on the Partial Least Square (PLS) variant with the help of SmartPLS 3.0 software. PLS itself can be regarded as a very powerful analytical technique that does not rely on many assumptions. The reason researchers use the PLS-based SEM analysis technique is that this analysis technique also has its advantages, namely the data does not have to be normally distributed, the sample size does not have to be large, and it is easier to test the effect of moderation (Noor, 2014).

Econometric experts provide the opinion that this SEM-PLS analysis technique can be used using primary data as well as secondary data. According to Nitzl (2016), analytical techniques using SEM-PLS are very suitable for research using secondary data. This is because SEM-PLS offers the flexibility needed for the interaction between theory and data. In addition, the SEM-PLS analysis technique also provides the advantage for researchers to be able to use a single indicator and formative measurement model (Hair et al., 2014). Some of the characteristics of SEM-PLS are that it can be performed on small samples, it generally achieves high statistical rates with small sample sizes, larger sample sizes increase the precision (i.e., consistency) of PLS-SEM estimates, there are no distributional assumptions; PLS-SEM is a nonparametric method, easily combining reflective and formative measurement models, capable of handling complex models with many structural model relationships (Hair, et al., 2017).

A series of tests were carried out to get good results on the data and the relationship between the variables to be studied. In the SEM-PLS analysis technique, two stages of model testing will be carried out, namely the outer model test and the inner model test. This test was carried out to assess whether a model can be said to be valid and reliable (Hamid and Anwar, 2019).

2.3 Measurement Model (Outer Model)

2.3.1 Convergent Validity

The criteria used in assessing convergent validity is that the loading factor must have a value of > 0.7. However, for research in the early phase of development, if the loading factor has a value of > 0.5, it is sufficient. Apart from looking at the loading factor value, a convergence validity test can also be done by examining the Average Variance Extracted (AVE) value. If AVE has a value > 0.7, it can be said that all indicators in the research model have high validity. As with the loading factor, AVE which has a value of 0.5 or more is also sufficient (Ghozali & Latan, 2015).

2.3.2 Discriminant Validity

In testing discriminant validity, there are 2 stages, namely by examining the cross-loading value. The criterion needed for cross-loading is that it must have a value > 0.7 (Ghozali & Latan, 2015). Then the assessment evaluation with the Fornell-Larcker criterion can also be used in the assessment process. For the research to be valid, the recommended AVE square root value for each latent variable must be greater than the correlation value between other latent variables, so the evaluation of discriminant validity is stated to be good (Ghozali, 2014).

2.3.3 Reliability Test

In measuring the outer model, after testing the validity the next test is the reliability test. The purpose of using this reliability test is to confirm the level of accuracy, consistency, and appropriateness of the instrument in measuring a construct. There are two methods used to measure reliability in PLS, namely Cronbach's alpha and composite reliability. The criterion used to assess composite reliability is that it must have a value > 0.70 so that the variable or construct is considered reliable (Ghozali & Latan, 2015).

2.4 Testing the Structural model (Inner Model)

Structural model testing can be measured in two ways, namely: first, by observing the R-square value of each dependent variable. Chin in Ghozali & Latan (2015) provides the criteria for the R-Square value in a model, namely: 0.67 is included in the strong category, 0.33 is included in the moderate category, and 0.19 is included in the weak category. Furthermore, the second criterion used in assessing the structural model is significance. Ghozali (2014) argues that by using the SmartPLS software, significance testing can be carried out by looking at how much the t-statistics are generated by running the bootstrap algorithm so that PLS assumes that the data does not have to be

normally distributed. Some significance values that can be used are (two-tailed) t-values of 1.65 (α = 10%), 1.96 (α = 5%), and 2.58 (α = 1%) (Ghozali & Latan, 2015). In this study, the authors adopted a t-value of 1.96 with a significance level of 5%.

3. RESULTS AND DISCUSSIONS

3.1 Empirical Analysis

3.1.1 Outer Model and Inner Model Design

Before testing the research model, the first step in analyzing data with the SmartPLS 3.0 application is to design the outer and inner models. According to Abdillah and Jogiyanto (2009), 2 assumptions can be used to choose between reflective and formative construct indicators:

1. What is the causal relationship

The first assumption in determining indicators can be seen from their causality. Reflexive indicators are caused by constructs while formative indicators are caused by constructs. In addition, if the indicator tends to have constituent properties, then the construct is formative, whereas if the indicator is the result of a construct, then the construct is reflexive.

2. Is there a strong duplicative nature

If the indicators have the same basic concept, in the sense that all indicators indicate the same thing, then the construct indicators are classified as reflexive. That way, if we remove one indicator it will not change the meaning of the construct materially. This is different from formative indicators. Where removing one indicator will cause problems and change the meaning of the construct materially.

In this study, researchers used 3 independent variables, 1 dependent variable, and 1 intervening variable accompanied by their respective indicators. The design of this structural model has the intention of being able to provide convenience in understanding the direction of the data testing relationship. This structural model is shown in Figure 1.

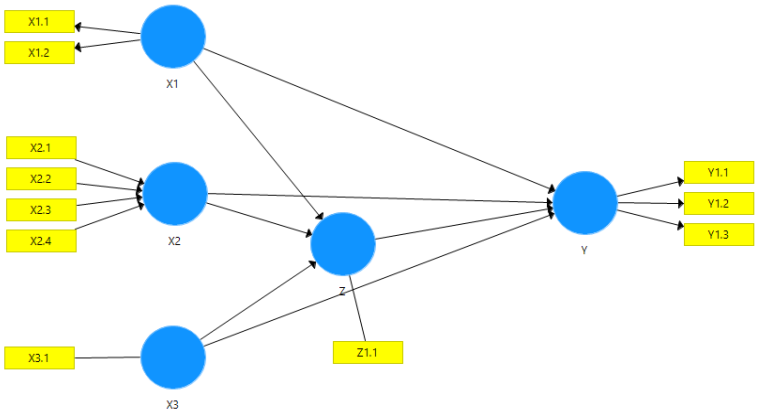

Figure 1. Structural Model

Based on the structural model above, the data used in this research model include exogenous variables which include: ZIS construct (X_1) with indicators: ZIS Fundraising ($X_{1.1}$), ZIS Fund Distribution ($X_{1.2}$). The construct of the Human Development Index (X_2) with its indicators: Life Expectancy ($X_{2.1}$), Years of School Expectation ($X_{2.2}$), Average Years of Schooling ($X_{2.3}$), and Per Capita Spending ($X_{2.4}$). The Government Expenditure Construct (X_3) with the indicator the Government Expenditure Rate ($X_{3.1}$). Meanwhile, the endogenous variable is Poverty (Y) with indicators: Percentage of Poor Population ($Y_{1.1}$), Poverty Depth Index ($Y_{1.2}$), and Poverty Severity Index ($Y_{1.3}$). Finally, the intervening variable is Economic Growth (Z) with its indicator: Economic Growth Rate ($Z_{1.1}$). Population ($Y_{1.1}$), Poverty Depth Index ($Y_{1.2}$), and Poverty Severity Index ($Y_{1.3}$). Finally, the intervening variable is Economic Growth (Z) with its indicator: Economic Growth Rate ($Z_{1.1}$).

3.1.2 Evaluation of the Measurement Model (Outer Model)

Reflective Indicator Model

There are latent variables that have a type of reflective relationship with the indicators in this study, namely the ZIS latent variables, where the test can be carried out with 3 types of tests, namely:

1. Convergent Validity

Convergent validity testing has the intention of measuring how much the level of correlation between latent variables is. To be able to measure correlation, convergent validity has two value criteria that need to be evaluated, namely the loading factor and the Average Variance Extracted (AVE).

a. Loading Factor Value

The provisions of this test are indicators of each variable considered reliable or valid if the resulting correlation value is above 0.7. However, for early-stage research, loading values in the range of 0.5 to 0.6 are still acceptable. We can see the results of the estimated correlation of indicators with their latent variables in Table 1.

Table 1. Value Outer Loading

Latent Variable	Indicator	Loading Factor	Standard Loading Factor	Conclusion
Zakat, Infaq, and Sedekah (ZIS)	X1.1	0.996		
	X1.2	0.986		
Human Development Index (HDI)	X2.1	0.791		
	X2.2	0.692		
	X2.3	0.979		
	X2.4	0.645		
Government Spending	X3.1	1.000	0.5	Valid
Poverty	Y1.1	0.900		
	Y1.2	0.946		
	Y1.4	0.894		
Economic Growth	Z1.1	1.000		

After processing using SmartPLS software, it can be seen that all loading factor values are above 0.5 (> 0.5). Thus, it can be concluded that the outer loading value test of all latent variables has passed.

b. Average Variance Extracted (AVE) Value

Convergent validity testing with Average Variance Extracted (AVE) is the second stage of convergent validity testing. The results of the estimation of the Average Variance Extracted (AVE) can be seen in Table 2.

Table 2. Value Average Variance Extracted (AVE)

Variable	AVE	Critical Value	Model Evaluation
X1 (ZIS)	0.982	0.5	Valid
X3 (Government Expenditure)	1.000	0.5	Valid
Z (Economic Growth)	1.000	0.5	Valid
Y (Poverty)	0.835	0.5	Valid

It can be seen from the results of the AVE calculation above, that all variables have a relatively good AVE value. Where the AVE value for each variable is ZIS is 0.982, government spending is 1.000, economic growth is 1.000, and poverty is 0.835. The model can be said to be good if the AVE shows a value above 0.5. From what we can see, all the variables in the table above have an AVE value above 0.5, which means that the model evaluation is stated to be valid. In other words, all of these variables can be said to be fit for use in this study.

3.2 Discriminant Validity

Discriminant validity testing is carried out to ensure that each construct has an adequate relationship with its indicators. This discriminant validity test has 2 stages of values to be evaluated, namely:

a. Cross Loading Value

The first stage to assess discriminant validity is cross-loading. This assessment is applied to each variable which is useful for ensuring the level of correlation of the variable indicators is greater than the indicators of other variables. We can see the results of cross-loading calculations in Table 3

Table 3. Value Cross Loading

	X1	X2	X3	Y	Z
X1.1	**0.996**	0.003	0.076	-0.050	0.091
X1.2	**0.986**	-0.036	0.090	-0.005	0.060
X2.1	0.232	**0.791**	-0.011	-0.477	0.528
X2.2	0.468	**0.692**	0.026	-0.409	0.472
X2.3	0.123	**0.979**	-0.013	-0.659	0.567
X2.4	0.319	**0.645**	-0.038	-0.398	0.419
Y1.1	0.082	-0.027	**1.000**	0.068	0.169
Y1.2	-0.059	-0.758	0.084	**0.900**	-0.313
Y1.3	-0.004	-0.579	0.035	**0.946**	-0.247
Y1.4	-0.020	-0.507	0.061	**0.894**	-0.175
Z1.1	0.081	0.555	0.169	-0.278	**1.000**

Based on the results of the cross-loading calculation above, we can see that all indicators of each latent variable that are colored yellow have a greater correlation value than other latent variable indicators. Thus, these results ensure that in the first stage of testing the discriminant validity of all indicators is valid.

b. Correlation Value Between Latent Variables.

Correlation can be interpreted as a number that shows how strong the relationship between latent variables is. To see how strong this correlation is, we can use the Fornell-Larcker criterion test feature shown in Table 4.

Table 4. Fornell-Larcker Criterion

Variable	X1	X3	Y	Z
X1	**0.991**			
X3	0.082	**1.000**		
Y	-0.034	0.068	**0.914**	
Z	0.081	0.169	-2.278	**1.000**

To obtain good identified discriminant validity results, the root value of AVE on a certain latent variable must be higher than other latent variables. Based on the estimation results of the Fornell-Larcker criterion in Table 4, it can be seen that the values of the variables marked in bold display a greater value than the other variables. However, for variable X2 there is no Fornell-Larcker criterion test because variable X2 is a formative model. From the results of the discriminant validity test, it can be concluded that the discriminant validity test using the Fornell-Larcker criterion has fulfilled the discriminant validity criteria.

3.3 Reliability Test

a. Composite Reliability

The first step in a series of reliability tests is to look at the value of composite reliability. According to Ghozali & Latan (2015), the expected value for composite reliability to be declared reliable is 0.7. For the composite reliability value table itself, we can see in Table 5.

Table 5. Composite Reliability

Variable	Composite Reliability	Critical Value	Result
X1	0.991	0.7	Reliable
X3	1.000	0.7	Reliable
Y	0.938	0.7	Reliable
Z	1.000	0.7	Reliable

Based on the output above, the composite reliability value for the ZIS variable is 0.991, the government spending variable is 1,000, the poverty variable is 0.938, and the economic growth variable is 1,000. Overall, all the composite reliability values of each variable seem to have crossed the critical value limit of 0.7. Thus, it can be concluded that all variables are valid and reliable to be used in this study.

b. Cornbach's Alpha

Reliability testing using Cornbach's alpha gives estimation results which we can see in Table 6.

Table 6. Cornbach's Alpha

Variable	Cronbach's Alpha	Critical Value	Result
X1	0.983	0.6	Reliable
X3	1.000	0.6	Reliable
Y	0.903	0.6	Reliable
Z	1.000	0.6	Reliable

Based on the calculation results above, Cronbach's alpha value for the ZIS variable is 0.983, the poverty variable is 0.903, the government spending variable is 1,000, and the economic growth variable is 1,000. Overall, all Cronbach's alpha values for each variable have crossed the critical value limit, which is 0.6. Therefore, we can conclude that all variables are valid and reliable to be used in this study.

3.4 Formative Indicator Model

After testing the outer model in the reflective model has been completed, the next stage is testing the formative model indicators of the human development index construct:

3.4.1 Weight Significance Test

The significance of weight is a measure of the level of importance of an indicator in explaining variations in a variable. For the indicators to be included in the research model, the weight value between the formative indicators and their constructs must have a significant status. The significance of measurement item weights (weight) has the following weight criteria (Garson, 2016):

a. If the weight is significant, then variable indicators are still included in the research model.
b. If the weight is not significant, but has an LF ≥ 0.50 then the variable indicators are still included in the research model.
c. If the weight is not significant and has an LF ≤ 0.50, then variable indicators are excluded from the research model.

As for the results of the weight significance test, we can see in Table 7.

Table 7. Weight Value in Human Development Index Variables

Indicators	Weight	P-Value	Evidence
X2.1	0.791	0.000	Significance
X2.2	0.692	0.000	Significance
X2.3	0.979	0.000	Significance
X2.4	0.645	0.000	Significance

Based on the calculation results above, the Cornbach's alpha value for the ZIS variable is 0.983, the poverty variable is 0.903, and the variable based on the calculation results above, it can be seen that all formative indicators of the latent variable human development index already have a loading factor value greater than 0.5 and also have a significant weight value. So from these results, it can be interpreted that all indicators of the human development index model are valid, and indicators are still used in the research model.

3.4.2. Outer VIF (Variance Inflation Factor) Test

The outer VIF test is carried out to know the magnitude of the relationship between indicators. In this study, the outer VIF test was only used to test formative indicator models. For an indicator to be said to be free from multicollinearity constraints, an indicator must have a VIF smaller than 10, as we can see in Table 8.

Table 8. Outer VIF values for inner indicators
Variable Human Development Index (IPM)

Indicators	VIF	Evidence
X2.1	3.689	Valid
X2.2	3.896	Valid
X2.3	4.502	Valid
X2.4	2.346	Valid

Based on the estimation results above, we can note that all the formative indicators of the human development index latent variable have a VIF value below 10. With this evidence, we can be sure that all of the formative indicators of the HDI have passed the VIF test.

Evaluation of the Structural Model (Inner Model)

1. Structural Multicollinearity Test

In the multicollinearity test, the quantity used is VIF (Variance Inflation Factor) or variance inflation factor. If the VIF value > 5 indicates a case of multicollinearity is found. However, if the VIF value < 5, it indicates that there are no cases of multicollinearity. In a good research model, there should be no correlation between the independent variables or multicollinearity (Ghozali, 2014). The following shows multicollinearity test between variables can be seen in Table 9.

Table 9. Inner VIF Value between Variables

Variable	VIF	Result	VIF	Result
	Y		Z	
X1	1.015	Valid	1.007	Valid
X2	1.482	Valid	1.001	Valid
X3	1.056	Valid	1.007	Valid
Z	1.532	Valid		

Based on the calculation results above, we can note that all the independent variables used in this study already have a VIF value of no greater than 5. That way, we can safely say that all independent variables have no multicollinearity problems and have passed the VIF test.

2. R-Square value

The R-Square itself has a function to measure how much endogenous variables can explain exogenous variables. As for the results of calculating the R-Square value, we can follow it in Table 10 below:

Table 10. Value R-Square

Variable	R-Square
Y	0.500
Z	0.347

Based on the results of the calculations above, we can note that all the independent variables used in this study already have a VIF value. In Chin's opinion (Ghozali & Latan, 2015) there are 3 criteria for the R-Square value in a model, namely: 0.67 (strong category), 0.33 (moderate category), and 0.19 (weak category). After the calculation process is carried out, the R-squared value obtained for the poverty variable is 0.347. This means that the ZIS, HDI, government spending, and economic growth variables can explain the poverty variable by 50.0%. While the remaining 50.0% is explained by other variables outside this model. This percentage value is included in the moderate category. Likewise, the R-squared value for the economic growth variable is 0.347. This means that the IZIS, HDI, and government expenditure variables can explain the economic growth variable of 34.7%. While the remaining 65.3% is explained by other variables outside this model. This percentage value is also included in the moderate category.

3. Significance Test

Significance testing in the SmartPLS application program is carried out using the bootstrap feature. A variable can be declared to have a significant effect if the t-statistic value compared to the t-table value has a value greater than 1.96 (> 1.96). We can see the estimated output of the path coefficient in the table:

Table 11. Path Coefficient

Causality	Original Sample	Sample Mean	Standard Deviation	T-Statistic	P-Value
X1 -> Y	-0.057	-0.049	0.057	1.008	0.314
X2 -> Y	-0.778	-0.821	0.071	10.908	0.000
X3 -> Y	0.026	0.020	0.069	0.383	0.702
X1 -> Z	0.072	0.064	0.080	0.905	0.365
X2 -> Z	0.561	0.592	0.085	6.624	0.000
X3 -> Z	0.178	0.189	0.063	2.842	0.005
Z -> Y	0.154	0.194	0.089	1.732	0.083

Based on Table 11, by testing significance through the path coefficient we can statistically obtain the following information:

1. ZIS has an original sample value of -0.157 which indicates a negative relationship. Then the t-statistic value obtained is 1.008 which is still less than the t-table value criterion, namely 1.96, and for the P-value, it has a value of 0.314 which is greater than 0.05 or 5%. From the results of the data analysis, it can be interpreted that there is an insignificant influence between the ZIS variables on poverty in Indonesia.
2. HDI has an original sample value of -0.778 which indicates a negative relationship. Then the t-statistic value obtained is 10,908 which this figure has passed the t-table value criterion, namely 1.96, and for the P-value, it has a value of 0.000 which is less than 0.05 or 5%. From the results of the data analysis, it can be interpreted that there is a significant influence between HDI variables on poverty in Indonesia. In conclusion, if the HDI increases, poverty will decrease and vice versa.
3. Government spending has an original sample value of 0.026 which indicates a positive relationship. Then the t-statistic value obtained is 1,732 which is still less than the t-table value criterion, namely 1.96, and for the P-value, it has a value of 0.702 which is greater than 0.05 or 5%. From the results of the data analysis, it can be interpreted that there is an insignificant influence between the variables of government spending on poverty in Indonesia.
4. ZIS has an original sample value of 0.072 which indicates a positive relationship. Then the t-statistic value obtained is 0.905 which is still less than the t-table value criterion, namely 1.96, and for the P-value, it has a value of 0.365 which is greater than 0.05 or 5%. From the results of the data analysis, it can be interpreted that there is no significant influence between the ZIS variables on economic growth in Indonesia.
5. HDI has an original sample value of 0.561 which indicates a positive relationship. Then the t-statistic value obtained is 6,624 which this number has passed the t-table value criteria, namely 1.96, and for the P-value, it has a value of 0,000 which is less than 0.05 or 5%. From the results of the data analysis, it can be interpreted that there is a significant influence between the HDI variables on economic growth in West Sumatra. In conclusion, if the HDI increases, then economic growth will increase and vice versa.
6. Government spending has an original sample value of 0.178 which indicates a positive relationship. Then the t-statistic value obtained is 2,842 which this number has passed the t-table value criteria, namely 1.96, and for the P-value, it has a value of 0.005 greater than 0.05 or 5%. From the results of the data analysis, it can be interpreted that there is a significant influence between government expenditure variables on economic growth in West Sumatra. In conclusion, if government spending increases, economic growth will increase and vice versa.
7. Economic growth has an original sample value of 0.154 which indicates a positive relationship. Then the t-statistic value obtained is 1.732 which is still less than the t-table value criterion, namely 1.96, and for the P-value, it has a value of 0.083 which is greater than 0.05 or 5%. This means that there is no significant effect between the variables of economic growth on poverty in West Sumatra.

After knowing how the influence between the research variables is directly through the path coefficient, the next step is to see how the influence between the research variables is indirect. We can see the results of the calculation of the specific indirect effect in Table 12.

Table 12. Specific Indirect Effect

Causality	Original Sample	Sample Mean	Standard Deviation	T Statistic	P-Value
X1 -> Z -> Y	0.011	0.012	0.018	0.617	0.537
X2 -> Z -> Y	0.086	0.120	0.069	1.247	0.212
X3 -> Z-> Y	0.027	0.036	0.022	0.218	0.205

Based on the specific indirect effect table shown in Table 12 above, we can obtain the following information:

1. ZIS through economic growth has an original sample value of 0.011 which indicates a positive relationship. Then the t-statistic value obtained is 0.617 which is still less than the t-table value criterion, namely 1.96, and for the P-value, it has a value of 0.537 which is greater than 0.05 or 5%. From the results of the data analysis, it can be interpreted that economic growth cannot significantly mediate the influence of ZIS on poverty in West Sumatra. This result relates to the collection of zakat which is still minimal in West Sumatra. So the zakat collected is still minimal and has not been able to reduce poverty in West Sumatra. The amount of zakat collected is still small compared to the existing potential. Zakat collection in cash and digitally in West

Sumatra from 2019 to 2020 only reaches 14% of the existing potential, which is 239 billion. While the existing potential reaches 1.7 trillion (BAZNAS, 2021). This is also in line with a study conducted by Amir, (2019) which proved that zakat has a negative and insignificant effect on reducing poverty in Aceh. Based on this study, zakat will have a significant effect if the zakat distributed is productive zakat which can help households run their businesses so that they can get out of the poverty line. Redha et al., (2016) found that the distribution of productive zakat can increase the business development of zakat recipients and reduce poverty rates.

2. Then for HDI through economic growth, it has an original sample value of 0.086 which indicates a positive relationship direction. Then the t-statistic value obtained is 1.247 which is still less than the t-table value criterion, namely 1.96, and for the P-value, it has a value of 0.212 which is greater than 0.05 or 5%. From the results of the data analysis, it can be interpreted that economic growth cannot significantly mediate the effect of HDI on economic growth in West Sumatra. These results are in line with research conducted by Suliswanto, (2010); Alhudhori, (2017); Prasetyoningrum, (2018) which proves that HDI has a negative and significant effect on poverty. This is because the aspects contained in HDI such as life expectancy (in this case means health), education, and purchasing power can increase human degrees in terms of the quality of Human Resources. Quality human resources will also support good productivity. These three aspects of HR affect a person's ability to explore his own potential Lumbantoruan & Prasetyoningrum (2018). So with qualified potential, a person will become a productive human being who can save himself from poverty.
3. Finally, government spending through economic growth has an original sample value of 0.027 which indicates a positive relationship. Then the t-statistic value obtained is 0.218 which is still less than the t-table value criterion, namely 1.96, and for the P-value, it has a value of 0.205 which is greater than 0.05 or 5%. The result can be interpreted that economic growth cannot mediate the effect of government spending on poverty in West Sumatra. These results are in line with research conducted by Putri and Putri, (2021) which shows that government spending does not have a significant effect on poverty. This is because most of the government spending on social protection is aimed at fulfilling public consumption, not at productive things that can increase people's income or efforts to enable people who are below the poverty line to live independently. Research conducted by Hidalgo and Ormaetxe (2018) that government public spending, especially in the field of education, will have a significant influence on poverty in the long term.

4. CONCLUSIONS AND SUGGESTIONS

4.1 Conclusion

Zakat infaq and alms (ZIS) is an instrument of poverty alleviation carried out in Islam. The human development index and government policies in the form of government spending on welfare are also important in reducing poverty. Based on the results of the study, it shows that ZIS has a negative and insignificant effect on poverty rates in West Sumatra. Government spending also has an insignificant effect on poverty alleviation. However, the human development index has a negative and significant impact on the poverty rate in West Sumatra. This is because human development is the most appropriate way to reduce poverty. Human development which consists of life expectancy (in this case means health), education and purchasing power can increase human dignity in terms of the quality of human resources. Quality human resources will also support good productivity, someone who is productive can save himself from poverty.

4.2 Suggestions

1. The government can increase its cooperation with other amil zakat institutions so that it can produce effective strategies in optimizing the distribution of zakat, infaq, and alms. So that it can have an impact in the form of a decrease in the level of poverty.
2. Always maintain and whenever possible improve the quality of human development to prevent rising poverty rates and declining economic growth rates.
3. The government should review government spending again to fund activities that do not only focus on economic growth. But also increase the amount of government spending on activities or programs that can emphasize the poverty rate. So that besides being able to increase economic growth, poverty rates can also be reduced

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